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STATE OF IOWA

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE

March 28, 2016

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released an audit report on the Central Iowa Juvenile Detention Center in Eldora, Iowa.

The Center had total receipts of \$7,782,078 for the year ended June 30, 2015, a 13.9% decrease from the prior year. The receipts included \$1,540,286 in detention care fees, \$642,923 in state program receipts, \$4,515,734 from child welfare coordination service fees, \$178,662 in juvenile justice receipts and \$760,000 in line of credit proceeds.

Disbursements totaled \$7,889,020 for the year ended June 30, 2015, a 12.6% decrease from the prior year, and included \$2,952,061 for salaries, \$451,325 for travel and \$2,015,413 for debt principal and interest payments.

The decrease in receipts and disbursements is due primarily to a reduction of loan activity from the prior year.

A copy of the audit report is available for review in the Central Iowa Juvenile Detention Center's office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1514-2341-B00F.pdf>.

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CENTRAL IOWA JUVENILE DETENTION CENTER

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS
AND OTHER INFORMATION
SCHEDULE OF FINDINGS**

JUNE 30, 2015

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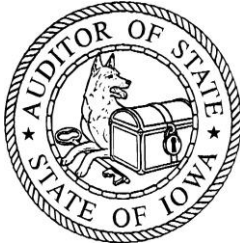
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Central Iowa Juvenile Detention Center

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Dave Thompson	Chair	Marshall County
Trevor White	1 st Vice-Chair	Poweshiek County
Lance Granzow	2 nd Vice-Chair	Hardin County
Wesley Sweedler	Ex-Officio	Hamilton County
Mark Waits	Member	Appanoose County
Terry Hertle	Member	Benton County
Tom Foster	Member	Boone County
Paul Merten	Member	Buena Vista County
Mike Cooper	Member	Calhoun County
Jeff Quastad	Member	Emmet County
Doug Kamm	Member	Floyd County
Gary McVicker	Member	Franklin County
John Muir	Member	Greene County
Ron Sweers	Member	Hancock County
Morton Christianson	Member	Humboldt County
Ray Garringer	Member	Iowa County
Dennis Stevenson	Member	Jasper County
Roger Tjarks	Member	Kossuth County
Mark Doland	Member	Mahaska County
Ed Noonan	Member	Palo Alto County
Paul Toot	Member	Story County
Larry Vest	Member	Tama County
Merrill Leffler	Member	Webster County
Mike Stensrud	Member	Winnebago County
Rick Rasmussen	Member	Wright County
Tony Reed	Executive Director	
Justin Cornish	Regulatory Director	
Kassie Ruth	Fiscal Director	

Central Iowa Juvenile Detention Center



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Independent Auditor's Report

To the Members of the
Central Iowa Juvenile Detention Center:

Report on the Financial Statements

We have audited the accompanying Proprietary Fund Statement of Cash Receipts, Disbursements and Changes in Cash Balance and the Fiduciary Fund Statement of Cash Receipts, Disbursements and Changes in Cash Balance of the Central Iowa Juvenile Detention Center as of and for the year ended June 30, 2015, and the related Notes to Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the cash basis financial position of the Proprietary Fund and the Fiduciary Fund of the Central Iowa Juvenile Detention Center as of June 30, 2015, and the changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As discussed in Note 1, the financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Emphasis of a Matter

As discussed in Note 5, Central Iowa Juvenile Detention Center adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinions are not modified with respect to this matter.


Other Matters

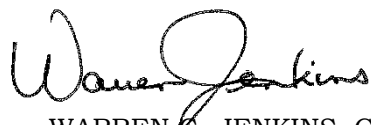
Other Information

The other information, Management's Discussion and Analysis, the Schedule of the Center's Proportionate Share of the Net Pension Liability and the Schedule of Center Contributions on pages 7 through 9 and 23 through 27, has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 8, 2016 on our consideration of the Central Iowa Juvenile Detention Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Central Iowa Juvenile Detention Center's internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

March 8, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Central Iowa Juvenile Detention Center provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities of the Central Iowa Juvenile Detention Center is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the Center's financial statements, which follows.

2015 FINANCIAL HIGHLIGHTS

- Operating receipts increased 16.0%, or \$969,507, from fiscal year 2014 to fiscal year 2015 due to increased programming.
- Operating disbursements increased 9.2%, or \$494,817, from fiscal year 2014 to fiscal year 2015 due to increased programming costs.
- The Center's cash balance decreased 73.4%, or \$106,942, from June 30, 2014 to June 30, 2015, primarily due to a decrease in line of credit proceeds and an increase in debt service payments.

USING THIS ANNUAL REPORT

The Center has elected to present its financial statements on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than U.S. generally accepted accounting principles. Basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses and the related assets and liabilities. Under the cash basis of accounting, revenues and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues and liabilities and their related expenses are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

The annual report is presented in a format consistent with the presentation of Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the financial statements. The annual report consists of the financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the financial statements and provides an analytical overview of the Center's financial activities.
- The Proprietary Fund Statement of Cash Receipts, Disbursements and Changes in Cash Balance presents information on the Center's operating receipts and disbursements, non-operating receipts and disbursements and whether the Center's financial position has improved or deteriorated as a result of the year's activities.
- The Fiduciary Fund Statement of Cash Receipts, Disbursements and Changes in Cash Balance presents information on the Center's activities for which the Center acts solely as an agent or custodian for the benefit of those outside of the Center.
- Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the financial statements.

- Other Information further explains and supports the financial statements with the Center's proportionate share of the net pension liability and related contributions

FINANCIAL ANALYSIS OF THE CENTER

Proprietary Fund Statement of Cash Receipts, Disbursements and Changes in Cash Balance

The purpose of the statement is to present the receipts received by the Center and the disbursements paid by the Center, both operating and non-operating. The statement also presents a fiscal snapshot of the cash balance at year end. Over time, readers of the financial statement are able to determine the Center's cash basis financial position by analyzing the increase or decrease in the Center's cash balance.

Operating receipts are received for fees for detention care, state programs, child welfare and juvenile justice. Operating disbursements are disbursements paid to operate the Center. Non-operating receipts and disbursements are for interest on investments, debt proceeds, construction costs and principal and interest paid. A summary of cash receipts, disbursements and changes in cash balance for the years ended June 30, 2015 and June 30, 2014 is as follows:

Changes in Cash Balance		
	Year ended June 30,	
	2015	2014
Operating receipts:		
Detention care fees	\$ 1,540,286	649,071
State programs	642,923	561,637
Child welfare service fees	4,515,734	3,884,240
Juvenile justice	178,662	888,810
Miscellaneous	144,169	68,509
Total operating receipts	7,021,774	6,052,267
Operating disbursements:		
Salaries	2,952,061	2,738,511
Employee benefits	1,030,956	868,990
Travel	451,325	379,836
Resident meals	112,684	91,865
Building repairs	71,140	135,500
Utilities	67,095	67,175
Equipment	25,134	44,078
Vehicle purchase	43,084	19,979
Vehicle maintenance	64,005	73,752
Professional fees	97,512	109,474
Insurance	104,271	94,314
Supplies	121,611	98,893
Medical	98,987	80,480
Staff development	4,246	9,712
Information services	49,377	52,209
Community based services	580,119	514,022
Total operating disbursements	5,873,607	5,378,790
Excess of operating receipts over operating disbursements	1,148,167	673,477
Non-operating receipts (disbursements):		
Interest on investments	304	323
Mortgage line of credit proceeds	20,000	1,428,000
Other line of credit proceeds	740,000	1,562,010
Construction in progress	-	(1,941,044)
Debt service	(2,015,413)	(1,706,137)
Net non-operating receipts (disbursements)	(1,255,109)	(656,848)
Change in cash balance	(106,942)	16,629
Cash balance beginning of year	145,669	129,040
Cash balance end of year	\$ 38,727	145,669

In fiscal year 2015, operating receipts increased \$969,507, or 16.0%, over fiscal year 2014. The increase was primarily a result of increased receipts for child welfare coordination services being provided as well as increased receipts from a statewide drug testing contract. In fiscal year 2015, operating disbursements increased \$494,817, or 9.2%, over fiscal year 2014. The increase in disbursements was due to additional costs for providing the additional services noted above.

LONG-TERM DEBT

During the year ended June 30, 2015, the Center received line of credit proceeds totaling \$760,000. At June 30, 2015, \$845,385 was outstanding on the mortgage line of credit and \$34,088 was outstanding on the business line of credit.

ECONOMIC FACTORS

The financial position of the Center improved in the current fiscal year. The current condition of the economy in the state continues to be a concern for Center officials. Some of the realities that may potentially become challenges for the Center to meet are facilities and equipment require constant maintenance and upkeep.

The Center anticipates the current fiscal year will be a year of service growth due to the increase in the number of services provided and geographical areas served.

CONTACTING THE CENTER'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Center's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Iowa Juvenile Detention Center, 2317 Rick Collins Way, Eldora, Iowa 50627, phone (641) 858-3852 or e-mail cijdc@cijdc.com.

Central Iowa Juvenile Detention Center

Financial Statements

Exhibit A

Central Iowa Juvenile Detention Center

Statement of Cash Receipts, Disbursements
and Changes in Cash Balance
Proprietary Fund

As of and for the year ended June 30, 2015

Operating receipts:		
Detention care fees		\$ 1,540,286
State programs:		
Detention care	\$ 578,092	
School lunch	64,831	642,923
Child welfare service fees		4,515,734
Juvenile justice		178,662
Miscellaneous		144,169
Total operating receipts		<u>7,021,774</u>
Operating disbursements:		
Salaries:		
Detention care	1,468,101	
Community based services	1,483,960	2,952,061
Employee benefits:		
Detention care	564,679	
Community based services	466,277	1,030,956
Travel:		
Detention care	74,694	
Community based services	376,631	451,325
Resident meals		112,684
Building repairs		71,140
Utilities		67,095
Equipment		25,134
Vehicle purchase		43,084
Vehicle maintenance		64,005
Professional fees		97,512
Insurance		104,271
Supplies		121,611
Medical		98,987
Staff development		4,246
Information services		49,377
Community based services		580,119
Total operating disbursements		<u>5,873,607</u>
Excess of operating receipts over operating disbursements		<u>1,148,167</u>
Non-operating receipts (disbursements):		
Interest on investments		304
Mortgage line of credit proceeds		20,000
Other line of credit proceeds		740,000
Debt service:		
Principal	(1,958,533)	
Interest	(56,880)	(2,015,413)
Net non-operating receipts (disbursements)		<u>(1,255,109)</u>
Change in cash balance		(106,942)
Cash balance beginning of year		145,669
Cash balance end of year		<u>\$ 38,727</u>
Cash Basis Fund Balance		
Unrestricted		<u>\$ 38,727</u>

See notes to financial statement.

Central Iowa Juvenile Detention Center

Statement of Cash Receipts, Disbursements
and Changes in Cash Balance
Fiduciary Fund

As of and for the year ended June 30, 2015

	Central Iowa Recovery
Receipts:	
Intensive psychiatric rehabilitation	\$ 1,085,696
Interest	461
Total	<u>1,086,157</u>
Disbursements:	
Intensive psychiatric rehabilitation	<u>1,157,226</u>
Excess of receipts over disbursements	(71,069)
Cash balance beginning of year	<u>223,508</u>
Cash balance end of year	<u><u>\$ 152,439</u></u>

See notes to financial statements.

Central Iowa Juvenile Detention Center

Notes to Financial Statement

June 30, 2015

(1) Summary of Significant Accounting Policies

The Central Iowa Juvenile Detention Center was formed in 1993 pursuant to Chapter 28E of the Code of Iowa. The Center is a voluntary joint undertaking of the Boards of Supervisors of the counties of Appanoose, Benton, Boone, Buena Vista, Calhoun, Emmet, Floyd, Franklin, Greene, Hamilton, Hancock, Hardin, Humboldt, Iowa, Jasper, Kossuth, Mahaska, Marshall, Palo Alto, Poweshiek, Story, Tama, Webster, Winnebago and Wright, Iowa. The primary purpose of this detention facility is to provide a physically secure, emotionally stable and safe environment in which juveniles can await court disposition.

A. Reporting Entity

For financial reporting purposes, the Central Iowa Juvenile Detention Center has included all funds, organizations, agencies, boards, commissions and authorities. The Center has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Center are such that exclusion would cause the Center's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Center to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Center. The Center has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The proprietary fund financial statement of the Center is organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

Additionally, the Center reports a fiduciary fund. The Agency Fund is used to account for assets held by the Center as an agent for other organizations.

C. Basis of Accounting

The Center maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Center are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present the financial position and results of operations of the Center in accordance with U.S. generally accepted accounting principles.

(2) Cash and Investments

The Center's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The Center is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Center; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Center had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

(3) Short-Term and Long-Term Liabilities

A summary of changes in short-term and long-term liabilities and interest paid for the year ended June 30, 2015 is as follows:

	Line of Credit	Mortgage Line of Credit	Total
Balance beginning of year	\$ 234,688	1,843,318	2,078,006
Increases	740,000	20,000	760,000
Decreases	940,600	1,017,933	1,958,533
Balance end of year	\$ 34,088	845,385	879,473
Interest paid during the year	\$ 4,813	52,067	56,880

Line of Credit

On June 21, 2013, the Board approved a line of credit with a local bank for a maximum of \$500,000. The line of credit bears 3.9% interest per annum. Funds are drawn to pay operating expenses and are repaid when funds are received from operations. During fiscal year 2015, the outstanding balance did not exceed the \$500,000 maximum. In fiscal year 2015, \$740,000 was drawn on the line of credit and \$940,600 was repaid. Current year interest paid was \$4,813.

Mortgage Line of Credit

On June 21, 2013, the Board approved a mortgage line of credit with a local bank for a maximum of \$2,700,000. The line of credit bears 3.9% interest per annum. Funds are drawn to pay construction expenses and are repaid when funds are received from operations. During fiscal year 2015, the outstanding balance did not exceed the \$2,700,000 maximum. In fiscal year 2015, \$20,000 was drawn on the line of credit. Current year interest paid was \$52,067. The outstanding balance at June 30, 2015 was \$845,385.

(4) Other Postemployment Benefits (OPEB)

Plan Description - The Center operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 31 active and no retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 would pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy - The contribution requirements of plan members are established and may be amended by the Center. The Center currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the Center and plan members are \$395 for single coverage and \$1,213 for family coverage. For the year ended June 30, 2015, the Center contributed \$184,862 and plan members eligible for benefits contributed \$35,697 to the plan.

(5) Pension Plan

Plan Description - IPERS membership is mandatory for employees of the Center, except for those covered by another retirement system. Employees of the Center are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit

or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the Center contributed 8.93% for a total rate of 14.88%.

The Center's contributions to IPERS for the year ended June 30, 2015 were \$248,117.

Collective Net Pension Liability, Collective Pension Expense, Collective Deferred Outflows of Resources and Collective Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the Center's liability for its proportionate share of the collective net pension liability totaled \$1,538,775. The collective net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the collective net pension liability was based on the Center's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2014, the Center's proportion was 0.038800%, which was an increase of 0.00876% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Center's collective pension expense, collective deferred outflows of resources and collective deferred inflows of resources totaled \$115,173, \$84,633 and \$586,844, respectively.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment. expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on IPERS investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31%
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the Center will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Center's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Center's proportionate share of the net pension liability	\$ 2,907,471	\$ 1,538,775	\$ 383,453

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

(6) Risk Management

The Center is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(7) Compensated Absences

Center employees accumulate an established amount of earned personal time off based on the number of years of service for subsequent use or for payment upon termination, resignation, retirement or death. These accumulations are not recognized as disbursements by the Center until used or paid. The Center's approximate liability to employees for earned personal time off at June 30, 2015 is \$210,100. This liability has been computed based on rates of pay in effect at June 30, 2015.

(8) Early Childhood Iowa Area Boards

The Center is the fiscal agent for two Early Childhood Iowa Area Boards (Building Direction for Families and 4RKids), organizations formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Boards receive state grants to administer early childhood centers school ready programs. Financial transactions of the Area Boards are not included in the Center's financial statements. The Area Boards' financial data for the year ended June 30, 2015 is as follows:

Building Directions for Families

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 76,707	-	76,707
Family support and parent education	-	262,290	262,290
Preschool support for low-income families	-	115,164	115,164
Quality improvement	-	58,020	58,020
Allocation for administration	4,037	14,322	18,359
Other grant programs	-	28,150	28,150
Total state grants	80,744	477,946	558,690
Interest on investments	83	336	419
Total revenues	80,827	478,282	559,109
Expenditures:			
Program services:			
Early childhood	79,181	-	79,181
Family support and parent education	-	265,429	265,429
Preschool support for low income families	-	115,635	115,635
Quality improvement	-	64,389	64,389
Other program services	-	17,966	17,966
Total program services	79,181	463,419	542,600
Administration	4,037	14,452	18,489
Total expenditures	83,218	477,871	561,089
Change in fund balance	(2,391)	411	(1,980)
Fund balance beginning of year	7,894	27,701	35,595
Fund balance end of year	\$ 5,503	28,112	33,615

4RKids

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 99,955	-	99,955
Family support and parent education	-	526,442	526,442
Preschool support for low-income families	-	231,146	231,146
Quality improvement	-	79,471	79,471
Allocation for administration	5,345	28,398	33,743
Other grant programs	-	57,609	57,609
Total state grants	105,300	923,066	1,028,366
Interest on investments	72.00	647	719
Total revenues	105,372	923,713	1,029,085
Expenditures:			
Program services:			
Early childhood	100,119	-	100,119
Family support and parent education	-	503,005	503,005
Preschool support for low income families	-	211,401	211,401
Quality improvement	-	79,155	79,155
Other program services	-	63,679	63,679
Total program services	100,119	857,240	957,359
Administration	6,192	30,938	37,130
Total expenditures	106,311	888,178	994,489
Change in fund balance	(939)	35,535	34,596
Fund balance beginning of year	1,574	83,555	85,129
Fund balance end of year	\$ 635	119,090	119,725

Other Information

Central Iowa Juvenile Detention Center

Central Iowa Juvenile Detention Center

Schedule of the Center's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last Fiscal Year*
(In Thousands)

Other Information

	<u>2015</u>
Center's proportion of the net pension liability	0.038800%
Center's proportionate share of the net pension liability	\$ 1,539
Center's covered-employee payroll	\$ 2,531
Center's proportionate share of the net pension liability as a percentage of its covered-employee payroll	60.81%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Central Iowa Juvenile Detention Center

Schedule of Center Contributions

Iowa Public Employees' Retirement System
Last Ten Fiscal Years
(In Thousands)

Other Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 248	226	141	170
Contributions in relation to the statutorily required contribution	<u>(248)</u>	<u>(226)</u>	<u>(141)</u>	<u>(170)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Center's covered-employee payroll	\$ 2,778	2,531	1,626	2,107
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%

See accompanying independent auditor's report.

Central Iowa Juvenile Detention Center

Notes to Other Information – Pension Liability

Year ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

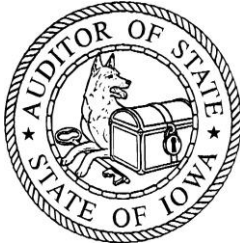
- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.
- Lowered disability rates for sheriffs, deputies and protection occupation members.

**Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**



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STATE OF IOWA**

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Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Members of the
Central Iowa Juvenile Detention Center:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Central Iowa Juvenile Detention Center as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, and have issued our report thereon dated March 8, 2016. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Central Iowa Juvenile Detention Center's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Central Iowa Juvenile Detention Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Central Iowa Juvenile Detention Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Center's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist which have not been identified.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Central Iowa Juvenile Detention Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.


Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Central Iowa Juvenile Detention Center during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

March 8, 2016

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2015

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCY:

No matters were noted.

INSTANCE OF NON-COMPLIANCE:

No matters were noted.

Central Iowa Juvenile Detention Center

Schedule of Findings

June 30, 2015

Other Findings Related to Required Statutory Reporting:

- (1) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (2) Travel Expense – No disbursements of Center money for travel expenses of spouses of Center officials or employees were noted.
- (3) Center Minutes – No transactions were found that we believe should have been approved in the Center minutes but were not.
- (4) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Center’s investment policy were noted.
- (5) Early Childhood Iowa Area Boards – The Center is the fiscal agent for Building Direction for Families, Early Childhood Iowa Area Board and 4RKids, Early Childhood Iowa Area Board, both formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of these Area Boards are not included in the Center’s financial statements.


No instances of non-compliance were noted as a result of the audit procedures performed.

Central Iowa Juvenile Detention Center

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
Jenny R. Lawrence, Senior Auditor
Zach J. Koziolk, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is written in a cursive style with a large, stylized "A" and "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State